

25th August 1925]

COMMITTEE TO INVESTIGATE THE PROBLEM OF UNEMPLOYMENT IN
THE PRESIDENCY

* Mr. C. GOPALA MENON :—“ Sir, the resolution that stands in my name runs as follows :—

‘ That this Council recommends to the Government that a committee of officials and non-officials be appointed to investigate the problem of general unemployment in the Presidency, to take evidence of witnesses and to report to Government six months from this date, suggesting, inter alia, remedial measures for diminishing unemployment. ’

“ Sir, this question of unemployment is a growing economic and social problem confronting this Presidency and it has already assumed menacing dimensions and bids fair to grow bigger and bigger every day. Hon. Members will be aware that this is a phenomenon not peculiar to the conditions of this Presidency alone, but is in evidence in every other province, and has rightly received the serious attention of Government in other important provinces like Bengal. It is a problem which we in this Presidency in particular cannot afford to ignore in our own interests in so far as we want to try and put our House in order and find out the means for the alleviation of the sufferings caused, before the problem assumes unmanageable proportions.

“ Sir, it would seem almost paradoxical that with such a ridiculously low percentage of literacy in this country we should have begun to feel the menace of unemployment among the educated middle classes. It practically comes to this, that if things are allowed to drift as they do, the progress of education in this country will be impaired by a proportionate increase of unemployment, discontent and unrest. Apparently, the whole problem seems to be inseparably bound up with the larger problem of our educational system, a system originally intended to suit the conditions of the middle classes of the last century, but which has unfortunately been suffered to run on in the same antiquated lines, notwithstanding the rapid political, social and economic changes that have overtaken the country. Those in authority have been content to allow the system to drift and have applied themselves chiefly to the multiplication of colleges and universities. The result is that the country is every year flooded with a stream of stereotyped graduates who have staked their all and a period of 15 to 20 years of the best and the most impressionable years of their life in plodding through elaborate courses of study having no practical utility in life and having no direct relationship to the trade and commerce of their country and who in consequence flock into a few over-stocked professions, 90 per cent of them rushing to fill clerical jobs in Government offices. It is necessary not only to find out the number of the unemployed in the Presidency, but also to see under what age and what are the classes in which this unemployment particularly occurs. Hon. Members will not stand in need of being convinced of the stupendous magnitude of this problem. Hundreds of instances must have come to their notice in daily life. These youths who have received a high literary education have either been forced to live a discontented life in low-paid service or to keep idly at home considering themselves too dignified to take to farming or remaining unfit to follow any useful pursuit where some specialized knowledge is

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indispensable. In this connexion, it is necessary for the committee to find out how many of these men could be employed by resuscitating the old cottage industries and how they can be made to take to agriculture which has been entirely neglected by them. The only difficulty in the way of some of these people taking up agriculture is that they would be driven to become landless tenants. It will be the duty of the committee to see how to induce these young men to follow the profession of agriculture and what incentives should be held out to them. These discontented men are a highly inflammable material having nothing to do and waiting only for a spark. Hundreds of youths of that stamp are scattered all over the country in a state of desperation and preparedness to drift into revolutionary politics to keep them going ahead with false notions of patriotism. The history of Bengal provides a very pertinent and convincing object lesson to us, and we would not be unwise in anticipating at the right time and prevent such things happening everywhere where the same conditions prevail. Now, Sir, that is the situation with which this Presidency is confronted, and in order that a speedy solution of it may be reached, it would be necessary not to enter into a thoroughgoing enquiry by a roving committee but to circumscribe the scope of the present enquiry to the educated middle classes in the city and if necessary in a few districts in the mufassal. I have no doubt that the results of such an enquiry will be no less valuable in their adaptability to the conditions of the Presidency as a whole. It is needless to mention that the committee will have the benefit of the experience of committees in other provinces and the solutions they have arrived at. The present time seems to be highly propitious for such an enquiry, inasmuch as public opinion has been in recent times much engaged in the pursuit of economic problems of India following the lead of the Secretary of State for India supported by a coterie of University Professors and retired Indian Civilians. Among the suggestions for improving the present condition of the educated middle class, on which attention has so far centred, one is the feasibility of establishing agricultural colonies, educational colonies, employment bureaus, technical boards and so forth. It will be for the committee to recommend with due appreciation of the facilities and handicaps existing in this Presidency what methods would suit its peculiar local conditions. I hope hon. Members will have no objection to the time-limit mentioned in the resolution. It is particularly necessary to concentrate the scope of the inquiry within certain limits and avoid straying into an ambitious programme extending over two or three years as it was in the case of the Bengal Committee. The report of the committee will thus be due on the eve of the budget deliberations, and I hope the next financial year will begin with a serious attempt at the solution of this important problem. I now commend this resolution to the hon. Members for their unanimous acceptance."

Mr. C. V. VENKATARAMANA AYYANGAR :—"I second the resolution."

Rao Bahadur C. NATESA MUDALIYAR :—"I support this resolution moved by my hon. Friend Mr. Gopala Menon. Sir, unemployment is a menace to this city and to this Presidency. The remedy should come both from the public and from the Government. It is not possible for the Government to supply employment to all those graduates that are manufactured

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every year from our University, over 1,500 of them. Not only that; we will have to find employment for the members of the depressed and other minority classes (Mr. R. Veerian: 'Hear, hear'), who cannot come to that standard of the graduates of the University. So, Sir, it is not possible for the Government to find out employment for all. The public should therefore be careful to see that all the graduates do not seek employment. For those that can afford to live without employment from the Government, it is better, as the hon. the Mover of the resolution said, that they direct their attention to agriculture and industry. Sir, the attractions of the prospects in Government service make many of those in well-to-do circumstances to accept Government appointments. They think that if they enter service on Rs. 35 to-day, in course of time they may rise to draw Rs. 3,000, or even Rs. 5,333-5-4 (laughter). Of course I do not want to make a reduction in the salaries of members in the Treasury Bench at present. At least it is better that the salary given to various high appointments is lowered down and the salary given to those poor clerks is raised a little. It is the pay of the higher appointments that induces them to accept Government service on low salaries. Another thing, Sir, I have to say to the Government is, that it is not proper on their part to retrench the various departments. In various matters I confess we have not done enough for this Presidency and the establishment we have is not enough if we are to improve the resources of this Presidency. So let us have the establishment we have and enlarge the scope of our work. Then we will not be retrenching. It is pitiable to see in Madras alone the reductions made in the Public Works Department and the Survey offices. The earning members of about 200 families are now without employment. Sir, supervisors drawing Rs. 150, after putting in a service of 20 or 25 years were asked to go home without any remuneration whatsoever, without any gratuity, without any pension. Imagine the circumstances especially of non-gazetted officers in Madras who cannot lay by anything for their after-life. They depend upon the Government and they think they are going to get pension and they do not save anything. There are some offices where there are temporary establishments and where people are employed temporarily for 20 or 30 years. Then after 30 years when a man has become old and cannot do any work he is simply asked to go home. That is what is being done in the Survey office.

"Then, Sir, in the various firms people after working for 20 or 30 years are asked to go home without any gratuity. Of course, there are some firms in Madras the employers of which take particular care of their employees. There are very many firms who do not do so. When I tabled a resolution that they should be taken care of, and that the Government should ask the various firms to make provision for their employees, the Government said that they had no jurisdiction over them. Sir, if the Government have jurisdiction over the mill-hands in the various mills of Madras, I ask whether the Government cannot have an Act passed to have control over the employees in the various firms. They are labourers too, and the Labour Commissioner ought to have powers of supervision over those poor people and see that they are not treated badly. It is better that the Government brings forward legislation by which the firms in Madras and other places in the Presidency are brought within its scope so as to safeguard the interests of the employees in those firms. Sir, those are the various ways by which unemployment is

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being increased year after year, and it is necessary to find effective remedies for diminishing unemployment. With these words, I support this resolution."

* Mr. A. RAMASWAMI MUDALIYAR :—" Mr. President, Sir, when I saw the agenda paper and read the notice of this resolution, I felt that a very necessary step has been taken by the hon. Member of forcing discussion on a point which is of the utmost vital importance to the interests of this Presidency, nay, the interests of the whole of this country. But I am somewhat disappointed at the very narrow turn that he has given to the consideration of this question and at the fact that he has practically limited himself to the question of the unemployment of the literate class, the class that could be employed in Government service. There is nothing in the resolution to circumscribe the ambit of this proposition to that class alone, and I am not going to circumscribe myself to that limit. I do not think that the adaptation of the possibilities of Government service to our literate classes is a question of such supreme importance that we should have a special discussion in this Council on it, nor do I think, whatever the opinion of the Council may be, however anxious we may be to provide employment for these literate classes through Government agency, that we are in a position to say that the evil of unemployment could be adequately removed by such measures.

" We are aware, we must be aware, every one of us in this Council who has had anything to do with Government, of the amount of Government work that is available for employment and of the fact that the scope for such employment is very much limited. With the utmost possibilities of expanding the chances of Government employment and with the utmost possibilities of reconsidering the orders of retrenchment which have already been passed we must be aware that even the fringe of the question cannot be touched by trying to get more Government officials' posts for the literate classes.

" I am concerned with the non-literate classes, the illiterate masses who wait day after day and get no proper employment. I am concerned with the agricultural millions of this country who are employed for just three months in the year and who for the remaining nine months have no employment but are in a state of chronic unemployment. I am concerned with this class who call themselves the labouring class, who live precarious lives, who go about the market places in big cities and find, after all, that work is not coming their way. Go to any market place in the city of Madras, say Pursawalkam, Royapuram or Royapetta; you see numbers of these people sitting along the market places in dozens, in scores and in hundreds asking to be employed on daily wages, who after 10 o'clock when the possibilities of employment for the day are over have to wend their way to their homes possibly to half-starvation meal or complete starvation. That is the class which appeals to my imagination. That is the class for whom some employment should be found out.

" The question of unemployment is a new question so far as this country is concerned. But every one who has followed the recent political developments especially in Great Britain cannot but find that the question of unemployment is one of the most serious considerations of every Government. Governments have been shaken; parties have gone out of power; other parties have been

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installed, all on this question of unemployment. Time and again and especially during the last three elections in Great Britain the question of unemployment has been the sole plank in the electioneering fights. Labour has given place to Conservative; Conservatives may give place to Labour; all these because the question of unemployment has not been solved. Yet what is the position in England? Out of a population of nearly forty millions, of which the able-bodied will be very nearly thirty millions of people, it only a million and odd who are out of employment. Yet the question is considered so grave that no politician to-day in the front bench of either parties in the House of Commons, no person who has taken a deep and active interest in the politics of the country, dares set aside the question of unemployment and relegate it to the background. That is the main question. The whole speech of the Chancellor of the Exchequer the other day in introducing the budget was practically devoted to the question of unemployment, widows' pensions, health insurance, and everything that concerns the labourer or the working man and helps him to earn a living wage and stabilise his position.

"In this country this is the first occasion, so far as my memory goes when this question has been publicly taken up and when this question has come before the Council. As I said at the beginning of my speech I am glad that the hon. Member has for the first time brought this question prominently to the attention of the Council. Let us not deal merely with the literate class. I believe they can look after themselves. After all, they can get jobs—jobs through the Staff Selection Board, that excellent institution which has been thrice blessed by the Treasury Bench. They can seek posts through other means also. Some may get employment, all of them cannot.

"There is no Staff Selection Board for the labouring class. That excellent institution does not find a place so far as the unemployment of the agricultural or the labouring classes is concerned. Has the Government bestowed any attention on that subject? Has the Treasury Bench ever cared to solve the problem of millions of people in this Presidency who cannot earn a decent living wage? Without earning a living wage how can they get on from day to day and keep not only their souls and bodies together but those of their families also? I think the time is come when even a conservative Government—and Governments in our country are always conservative—like the bureaucracy in India must face this problem. They copy several things from England. They look upon England as their pattern, as their master and as their model and example. Here is a question which must be solved in the way in which it has been rightly solved in England. When one considers that on this question so much pother is being made in the House of Commons and in the House of Lords and when one considers that the greatest war problems and problems concerning the colonies and India pale into insignificance before a two-pence reduction of duty on sugar or a two-pence reduction of duty on some other commodity, one wonders how it is in this country this problem did not come to the fore? We talk of the punitive police; we talk of law and order; we exalt them to the skies. After all, law is intended to promote the convenience and comforts of public life. I have no quarrel with law; I have no quarrel with order. But I do venture to think that apart from the question of special police, punitive police, armed reserve police and of all other police which a fertile imagination can invent, a question like this

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ought to be tackled by Members who have responsible places in the Government. I recognise that there are limitations to this Local Government, fettered as it is in some respects, in solving this problem. We have not got those hundreds of ways and means by which other peoples eke out their livelihood. We have not a mercantile marine and the ship-building yards. We have not got those avenues which are open to the fortunate people of Great Britain for going about and colonising in different places, unless the Andamans happens to be such an extremely fertile and attractive place as to send me and some of my friends for colonising in the islands. Take for example, Mr. President, a young man there, educated at their public schools, and see what avenues of employment are open to him. The Mercantile Marine employs hundreds of thousands of these people as engineers, first officers, as second officers, as doctors and in hundreds of different ways in the flotillas operating on behalf of the British Government. Then take the ship-building yards. How many engineers have been employed? Take the great factories; find out how many people have found employment and remember that the Government in England is not following the policy of *laissez faire* now. It is not following the policy of leave well alone.

"Now Sir, the other day when the coal-mines had to be closed and thousands had to be turned out of employment, the Government came to the help of the coal-miners temporarily—and I am not going to prove a bad prophet when I say that the help will have to be given permanently—and were prepared to give a subsidy to that particular industry and help the coal-miners so that the men employed could not be thrown out of employment. Such a suggestion has not been thought of either by our Local Governments or by those in the celestial heights. They do not think of these things. Therefore I do not expect much to come out of this resolution and the report which is to be published in six months; but a start has to be made; public opinion has to be roused and public opinion has to be concentrated and focussed on the consideration of this question. When men think in terms of Swaraj, in terms of self-government and in terms of those ideals which will be a panacea for all evils and when there are practical considerations and practical questions side by side, let us not lay the flattering unction to our souls that when Swaraj comes everything will be right in this place and that a new heaven on earth will be created. It will come and is bound to come. It is my hope and it is in that hope that every politician in this country lives. But apart from this question, apart from your concentration on or attention to these political ideals, a very legitimate and necessary thing to do is—I appeal not to the Government for I do not expect much from them, but I appeal to my hon. Friends who are politicians of all schools and on all sides of the House—to devote some little time to all such issues and also to these side aspects; and so far as I am concerned, I am perfectly willing to confess that these side issues have much more attraction for me than electioneering issues which may help you in winning your elections but which will not help to make your people more healthy, more contented and more prosperous. These are things on which we should concentrate our attention. These are facts which we have to try and solve apart from the question of having a deputation for more self-government and for more political advance which are necessary things. But let us at the same time, side by side with that activity, concentrate our thoughts on these things also. Let us put our heads together. How many of us know about a mercantile marine? How many of us know about the

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development of industries? If the Cotton Press Act is in the air, it is only one or two Members who are specially interested in it. If it is Tuticorin Port Trust Bill it is only a few Members who take interest in it. If it is the Cochin Port Trust Bill, one or two Members are put on the Select Committee and their interest begins and ends with seeing that a few Indians are put on the Port Trust Board.

"We have to go about; we have to learn from other countries. We have to see what other men in other countries are doing; we have got to learn if we are to get on in this world and try to understand how these problems are solved.

"There is no question of unemployment in France. France has been good enough to suggest to England that it can take over a portion of their unemployed and get them some employment. I may inform the House that in France there is no such thing as colour bar. In the mother-country of the British, that country to which we owe so much politically, economically and commercially, it is impossible for a coloured man to get employment. I have seen hundreds of coloured men of all places employed in France. Therefore I venture to ask my hon. Friend the mover of this resolution—whatever may be the fate of the resolution which may very easily be carried, and the Government may very easily put it into the waste paper basket—especially as he belongs to a commercial community, whether the time is not come when the community should take more interest in these affairs and not be interested simply in questions such as income-tax here or an extra super tax there, but to concentrate its attention on the problem of how the commerce of the country should be improved, how trade facilities should be provided, and what avenues are open. Dozens of people from other provinces are going about and I have seen them in almost every continental country, seen them earning their livelihood, seen them establishing their agencies and entering into direct commercial relationship. But the Madras South Indian Chamber of Commerce has yet to think of this question. I am not a commercial man and I do not want to enter a field where angels fear to tread. But I do venture to think that the time is come when men who are more fit and who have better capacity should bestow their attention on these matters and they should try and solve the question of unemployment. I cannot bring to bear any expert opinion on the consideration of this matter. It only strikes me that we have to think of these things seriously and try to find out what can be done for the improvement of the masses."

Mr R. VEERIAN:—"I wish to remain mute but as the problem is a very serious one, I cannot remain mute. Sir, this is certainly a grave problem. Everything in this world is very difficult to solve (laughter). It is so. Is it possible for us, if we are not going to solve this simple problem, to solve any other complicated problem? Sir, eminent statesmen have pronounced that there would be unrest in the country if the unemployment question is not solved or if taxes are raised. I find, Sir, that at present there is so much unrest in this country because this unemployment question stands at the top; and if the people are not coming forward and if the honest citizens are not coming forward to solve this problem, I want to ask whether it is not the duty of the State to come forward to solve this simple problem. Sir, in olden days, kings were able to provide work for men who were not employed. On account of unemployment, I find that a lot of persons are joining with

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those who are against the activities of orderly Government. Don't we see that there is danger in not providing employment to those who are not employed.

"Well, Sir, as far as depressed classes are concerned, even punka-pulling work is not given. Owing to untouchability they are not provided even with that work. I have travelled in several districts. In the Salem district they have a separate agency, the Ceylon Agency. There I find that hundreds of coolies are being recruited to Ceylon on a pittance of 8 or 9 rupees. Therefore is it not the duty of Government to come forward and solve

this problem by appointing this committee? If they are not going to solve the problem in that way, I want to know in what other ways they are going to do it? It is not suggested here. It is simply suggested by my hon. Friend Mr. Ramaswami Mudaliyar to consider this question very seriously. It would have been better, Sir, if he had suggested some other suitable method for solution of this problem and I would have admired him (laughter). In the absence of any such suggestion, his remarks are very deplorable."

* Mr. A. RANGANATHA MUDALIYAR :—"I agree with my hon. Friend Mr. Ramaswami Mudaliyar that the question of rural unemployment is even more urgent than the unemployment of the literate classes. The resolution, Sir, wants the whole question to be enquired into and a report to be submitted within six months from this date. If anything like the object contemplated in this resolution is to be achieved, I do not think, Sir, its operations can legitimately extend all over the Presidency. If anything useful is to be done, I think it can only be done by restricting our enquiry to a few select places and then after surveying the situation, arriving at some conclusions. With that object, we have tried to make the resolution more practicable and acceptable to the Government by inclusion of the words 'in one or two typical districts' after 'unemployment' and before 'in the Presidency'.

"Sir, this House may be aware that during the last one or two years, I have been trying to bring to the notice of the House the problem of unemployment in rural areas. For example, Sir, the number of those who are depending on agriculture is alarmingly on the increase, while that of those dependent on textile industries and other similar industries is also seriously on the decline. I brought the matter to the notice of the Development Minister and he promised a consideration of these questions. I do not know what progress he has made in this direction. The whole thing is this. India was formerly not only an agricultural country but also a manufacturing country. India was doing a great business in cloth. Owing to the policy which was pursued by the Government of the day, there has been a great decline, and almost an extinction of many of the industries like ship-building and iron manufactures. It is a very serious problem and requires serious attention, and I hope the Government will do something to tackle this question seriously and earnestly and try to do what they can to alleviate the difficulties connected with unemployment in the country.

"I have suggested, Sir, that instead of the enquiry being conducted all over the Presidency, it may be restricted to one or two typical districts, so that the question may be enquired into and a conclusion arrived at as early as possible."

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Mr. A. CHIDAMABARA NADAR :—" I second the amendment."

* Mr. C. GOPALA MENON :—" May I point out to the hon. the Mover, Mr. A. Ranganatha Mudaliyar that in my speech I made it clear that the enquiry should be started from the city and if possible may be extended to a few districts in the mufassal, so that we may apply the experience in the city to the mufassal? But I cannot accept the amendment of Mr. Ranganatha Mudaliyar 'in one or two typical districts', because the conditions probably in Bellary may not be applicable to Madura, Tinnevely or Trichinopoly, and what is prevailing in some districts may not be applicable to others. I shall leave it to the discretion of the Government to select a few districts—it may be half a dozen."

Rao Bahadur A. S. KRISHNA RAO PANTULU :—" Sir, I think that it is quite unnecessary that there should be an amendment as suggested by my hon. Friend from Bellary, and I may also inform the House that the suggestion of my hon. Friend that it should be started in the city of Madras and extended gradually to other districts is also one that does not deserve to be accepted. Let it be remembered that this is a general question affecting the whole country, not merely this Presidency. It is not a new question at all, and it is incorrect to suppose that the public have not for some time past been seriously considering as to how this evil of unemployment could be remedied, if it can be remedied at all. Under these circumstances, the committee that is to be appointed must be one which should consider the situation in the whole Presidency and not confine itself to a few districts. Probably the mover of the amendment is under the impression that it is difficult to consider the question of general unemployment unless evidence is taken of witnesses in the manner suggested by him and that it is difficult to tour round all the 25 districts before coming to a conclusion. I do not think, Sir, that in matters of this description, such a sort of enquiry is possible. We know the usual method is to prepare a questionnaire and send it to the various officials and non-officials in the districts of the Presidency, and the information thus collected would be at the disposal of the committee to be appointed, and conclusions could then be arrived at.

" So far as the main question is concerned, while I agree with the hon. Member from Chingleput that the scope of the resolution is not to be limited within the narrow view of the question of unemployment of the literate classes, I must say at the same time that we cannot leave these classes out of account. We must consider the question of unemployment of both literate and illiterate of all classes of people. In a case of this description, I would request this House not to bring into it any question of political consideration. It is an economic question of unemployment. My hon. Friend from Chingleput pointed to the evils of unemployment, but he found it difficult to suggest practical remedies. In the nature of things it is difficult to suggest remedies at once. It is for that purpose a committee has been called for. So far as the Government are concerned, it must be admitted they have neglected this important duty. On various occasions, the attention of the Government has been drawn by interpellations put in this Chamber, but they have not themselves taken any definite lead in the matter. Among the remedies suggested, it is fairly well recognized that unless large engineering works or railway works or irrigation works are undertaken it will not provide employment for large

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numbers of people who are out of employment. If really we can provide labour to a substantial extent to remedy the existing evil, it is only by the Government coming forward with large programmes of works. In this connexion, I am tempted to point out that however much Government may have shown anxiety in recent years for the development of irrigation works, they have not really appreciated the scope of the works that they have proposed to undertake. They have been thinking more and more of productive works, and calculating like shrewd merchants whether the works undertaken will repay or not a proper interest on the outlay. So long as you look at these big irrigation problems from that standpoint, it is very difficult for any large irrigation work to be undertaken. The question of undertaking one such big project has been before the public for several years; investigations have been made; it is estimated the whole thing will cost 7 lakhs and odd. Still unless they change their policy and undertake some works as protective works, independent of their paying or not paying the interest on the capital outlay, the question of unemployment among the cultivating classes cannot be solved in a satisfactory manner. I have mentioned this as one of the various reasons which may be taken into consideration in solving the problem. We have also seen that, in a number of cases, we think of starting industries and experiments are made, but finally we have not succeeded in pushing through the work as satisfactorily as possible. Unless we had a sort of industrial survey carried on in the whole Presidency, instead of starting one industry in one corner and another industry in another corner, I do not think we can make much headway in the matter of providing employment by means of such industrial concerns. It is only by measures like this we can provide employment for the classes not belonging to the literate classes. So far as the literate classes are concerned, the hon. the Mover has referred to it at considerable length. Even the Andra University Bill has provided for an employment bureau as an adjunct to the new University. It is a new departure and a welcome departure also, and it will be the duty of the University to take stock of the situation, to have the employment bureau attached to it and do all that it possibly can for the purpose of providing employment for those who get out of the portals of the University.

4-30 p.m. " Let us also realize that a solution of this problem will solve several of the political troubles which have grown in our midst. The question of unemployment is not one affecting one community only. It is a question which affects the Brahmans and the non-Brahmans, the Hindus and the Muhammadans, etc. It affects every one, because there are hundreds of thousands of people of every community and every class without employment all over the Province. Therefore this question has to be viewed from a very broad aspect and the responsibility for arriving at a proper solution of it is the primary concern of the State. It was suggested that the South Indian Chamber of Commerce could have done something in this direction. It is true, but it is equally the case with regard to various bodies and individuals. During the debate the hon. Member Mr. Ramaswami Mudaliyar, by implication, said that public men have not done anything in the matter. It is true also, but there are local authorities and numerous private individuals capable of doing much more than what they have done. I do not agree with the view that the Government cannot give much greater opportunities for providing employment. It is a question,

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according to my opinion for the Government in the first instance, and for the local authorities in their own way, to solve. I believe that sufficient attention has not been paid to this question of providing employment.

"Now, Sir, regarding the remedies, these may vary according to the circumstances of each individual body or body of persons. It is for that reason that I suggest that the appointment of a committee is absolutely essential. We have asked only for the usual appointment of a committee of officials and non-officials—a thing which I see the hon. Members on the Treasury Bench have freely been giving of late. I found in the old days more opposition to a suggestion such as that. Perhaps the present Members have been thinking that probably one of the easiest ways of satisfying the Honourable House is this. Probably so. I only gave my interpretation of it and I do not suggest that they have it in their minds. When I compare the attitude of the officials of former days with the readiness of the Members on the Treasury Bench now in acceding to the request for the appointment of a committee, I think it is only due to the fact that they believe that the easiest way of satisfying the hon. Members is by appointing a committee, leaving the decision in their own hands. Therefore, Sir, I suggest that in this case it is absolutely essential that we should appoint a committee as suggested in the resolution."

* The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—"Sir, with regard to this question I would like to say a few words. I am very much indebted to my hon. Friend Mr. Ramaswami Mudaliyar for the practical manner in which he has spoken and pointed out the difficulties in the way of accepting this resolution. The Government do think, Sir, that something ought to be done in order to solve this problem of unemployment. But the question is, can the Government solve it? That is the whole difficulty. There are also one or two points that have to be remembered in this connexion and they are whether we should make an investigation throughout the Presidency or whether the investigation should be confined to a district or two as has been pointed out by my Friend Mr. Ranganatha Mudaliyar. Under these circumstances I may say that the Government do not intend to oppose this resolution. They would pay their earnest attention to the views expressed by the hon. Members on this question.

"Sir, unemployment can be classified under three heads: (1) agricultural or unskilled labour; (2) industrial or skilled labour; and (3) (as has been pointed out by my hon. Friend Mr. Gopala Menon) educated middle classes. In the Emigration and Migration report for 1924, the Commissioner of Labour explained that emigration to Ceylon from Tanjore and other districts was due to the fact that steady employment throughout the year was available on the estates in the colony, while in their own districts the labourers did not get continuous work. There was thus emigration of unskilled labour alone. Even with regard to this class of men, employment will be available in connexion with the Mettur project and other similar works and various harbour works now in progress. Sir, my Friend Mr. Venkataramana Ayyangar speaking on the resolution for the stoppage of emigration to Assam said:

'We all know that in our presidency, especially in the flooded areas there is dearth of labour. We know that industries are springing up in this Presidency and we want more men for the improvement of those industries. For all these purposes more labour is needed in this

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Presidency alone. It is therefore submitted that in respect of agricultural and industrial labour the question of unemployment does not arise. Therefore, I do not know whether a committee will do any good in this direction. But as I have said I leave this problem in the hands of my hon. Colleagues and if the House comes to some conclusion, the Government will pay their earnest attention to it and do what they can to solve this problem."

* Mr. A. RANGANATHA MUDALIYAR :—"As one who had given notice of an amendment to this resolution, I may be permitted to say that when I gave notice of that I had in my mind a somewhat thorough enquiry, such as taking a census of the population and seeing how many of them really had enough to maintain themselves, how many were able to do so only partially, how their indebtedness had increased, etc. It was with that idea that I thought it would be well to restrict the enquiry to select districts. But if the hon. Mover of the proposition thinks that his purpose would be served better by leaving his motion as it is, I have no objection to withdraw my amendment."

* Mr. C. GOPALA MENON :—"Sir, it has been pointed out that I have narrowed down the limits of the resolution; but what I had in mind was not a very ambitious programme. My ambition was to find out the extent of unemployment among the educated middle class men and by and by to ascertain the extent of unemployment in the rural areas. It is not only the literate classes that are unemployed but also the illiterate classes are unemployed. But there are also, among the unemployed, men who have got technical qualifications skilled and unskilled. It is the duty of this committee to find out how we can find employment for them. If we go into the question of rural unemployment we have to go into the question of the indebtedness of the agricultural and landless tenants. This is growing from year to year. In regard to this question we have to see what measures should be adopted in order to induce the educated young men to take to agriculture and what incentive should be offered to them.

"Then, Sir, there are only two measures which the hon. the Minister for Education and the hon. Minister for Local Self-Government have in their view. The hon. the Minister for Education has put forward a scheme to induce these young men to start elementary schools and settle down in villages. The hon. the Minister for Local Self-Government has got a scheme of rural medical relief to induce doctors to settle down in the villages. It should be our aim to find out how these measures could be improved so as to induce the educated young men to take to them. Of course if we want an ambitious programme we have got the programme of Captain Pettival of Calcutta. We should find out how the measures suggested by Captain Pettival could be adapted to our conditions and needs.

"It has been pointed out that the Indian Chamber of Commerce has not anything in the direction of preventing unemployment. But I may say that it is a question not only for the Indian Chamber of Commerce but for all public men and public bodies. It is the duty of every public man to find out means for alleviating the distress of the poor unemployed. In any case, unemployment is increasing and is becoming a menace, and the sooner we find some measures to relieve the situation, the better I think for all concerned."

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* Mr. A. RANGANATHA MUDALIYAR :—“ Sir, I beg to withdraw my amendment.”

The amendment was by leave withdrawn.

The main motion was put and carried.

COMMITTEE ON THE WORKING OF THE RUSSELLKONDA SAW MILL.

Sriman BISWANATH DAS Mahasayo :—“ Sir, I beg to move the following resolution which stands in my name :—

‘ That this Council recommends to the Government that a mixed committee of officials and non-officials be appointed to go into the questions of the prospects and working or otherwise of the saw mill at Russellkonda in the Ganjam district thoroughly and submit its report within three months for consideration of the Government and the Legislative Council to enable them to arrive at a final decision before the budget session for 1925-26.’

“ Sir, in commending this resolution to the sense of this Honourable House I would like to place certain facts before it, and, before doing so, I think I would do well to give a short history of the installation of the saw mill at Russellkonda. Sir, the scheme for the installation of a Saw Mill at Russellkonda was devised in the year 1919. The Government prepared a scheme and then sent an expert to the European countries to study the condition of saw mills in those countries. Afterwards they placed a demand in the budget for 1920-21. On my motion that demand was rejected by the Legislative Council, but it was restored by His Excellency the Governor. Sir, as I submitted to this Honourable House, the whole scheme was from the beginning an ill-devised one. Sir, it was thought that the saw mill would be begun with a building at a cost of Rs. 50,000, and the cost of installation would come to about 1½ lakhs. It was later found that the estimates had to be revised and the building for the saw mill cost more than Rs. 75,000. It was not all. Misfortunes still dogged its steps. The cost of installation which was at first thought would come to Rs. 1,43,000 eventually cost the Government about 2½ lakhs.

“ Then, Sir, Government entered into a contract with Messrs. Parry & Co., who were to manage the Saw Mill and the Company was given an initial amount of Rs. 40,000 to begin the work. Government on their part undertook to supply log timber at a rate to be fixed by the Chief Conservator of Forests. The best quality of timber possible and available were kept ready for the use of the Mill from 1920. In spite of the fact that the choicest timber was kept ready for the use of the Mill, the Mill authorities never lost any opportunity to reject as much as possible with the result that it brought a heavy loss to the Government on account of the logs being stamped ‘ rejected ’. These rejected logs had to be sold in auction at much lower rates than what was usually paid for timber of that quality. I do not know why the Government who undertook to supply log timber for the Mill fixed the rate at such a low figure as 4 annas per cubic foot. I would invite the attention of the House to the answer given to an interpellation by my hon. friend M. Sasibhushan Rath in which it was stated that Government incurred an expenditure of 5 annas per cubic foot in felling

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and carting alone. If to this amount the seigniorage charges are added the rate would come to not less than 8 annas per cubic foot. If I am wrong, I wait to be corrected.

"The accounts of the concern were not brought under the commercial system till 1922. After that it was brought under that system and the Council had an opportunity of going through the reports. If we go through the profit and loss account we find that the concern has been showing a continuous deficit and bringing loss to the Government in spite of the fact that the saw mill was supplied with logs at much lower rate than what they would have fetched in the open market.

"I would not be justified in taking up the time of the House in referring to the detailed accounts of these audit reports. But I would draw the attention of this House to the important observations made by the Public Accounts Committee for 1923-24—page 16.

'The cost of extraction still remains considerably higher than the rate at which the wood extracted was sold to the mill and the Committee desire to emphasise the fact that, as the full cost of extraction of the wood in log is not recovered from the mill, the loss shown in the balance sheet does not represent the real loss on the working of the saw mill. The Committee therefore recommend that the full cost of extraction and transport should be ascertained and charged to the saw mill and that the profit or loss of the undertaking should be based upon the full cost so ascertained. The Committee further desire that a detailed examination should be made as to the future working and management of the enterprise and that the desirability or otherwise of the abandonment of the undertaking should be reported.'

"Unfortunately, Sir, Government thought that they had a comparatively large stock of logs in the Gumsur salwood forests. But from the report of Mr. Tireman for the year 1923-24 it is very clear that the expectations are falsified. I would refer hon. Members of this House to page 13 of the Report.

'Although the quality of logs cut during the last quarter improved considerably, their girth and, most particularly, their length left much to be desired, the average size of log being under ten cubic feet. Logs of such small cubic contents caused a considerable loss of time in conversion owing to the fact that so many of them had to be handled to make up a reasonable day's work.'

"Again at page 14 the same report says :

'As regards the size of logs, it is impossible to obtain large logs in any quantity and there is no getting away from the fact that the Gumsur forests contain little timber of the size for which the machinery was designed, while much of it is unsound.'

"Under these circumstances, I submit, Sir, that the scheme has been ill-devised. It has been causing a continuous loss to the general finances of the country. I earnestly implore the hon. the Home Member to accept the resolution, to go seriously into this question, and decide one way or the other."

Sriman SASIBHUSHAN RATH Mahasayo :—"In seconding the resolution, Sir, I do not want to make any speech in view of the fact that I understand that the hon. the Home Member is going into the question. I only wish that the committee is appointed so that he will have the assistance of that body in coming to a conclusion in this matter. As I said once before, failure is writ large on the Russellkonda saw mill and it is better that it should be closed. Before closing it, it is necessary that the committee should be appointed so that all the facts and figures may be placed before it and they may see whether it is not time to close it."

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* Mr. G. T. H. BRACKEN :—“ Mr. President, Sir, the hon. the Mover of the resolution has given the House a history of the saw mill. There is not much to quarrel with many points that he raised. But there are a few points with regard to which he is under a misapprehension and I think the House ought to know the real facts. The hon. the Mover of the resolution suggested that Messrs. Parry & Co. had liberty to reject the logs that were brought to the mills for their own purpose. I do not quite understand why he should think that Messrs. Parry & Co. want to reject anything. As a matter of fact the only logs that were rejected were those that were unsuitable for sawing.”

Sriman BISWANATH DAS Mahasayo :—“ I never said that they purposely or willingly rejected the logs. All that I said was that it showed that the Gumsur forests were not producing the desired quality of timber.”

* Mr. G. T. H. BRACKEN :—“ The hon. the Mover of the resolution raised a point that the wood was supplied to Messrs. Parry & Co., at below cost price. That point was raised in the form of a question to the House and it has been explained more than once that the wood is not supplied to Messrs. Parry & Co. at all; it is supplied to the mill which is a Government concern. Messrs. Parry & Co. are not in the least interested in the price at which wood is supplied to the mill. The profit or loss in the transaction belongs to Government only. Messrs. Parry & Co. are remunerated by commissions on sales. That is the extent to which the company is interested in the profit or loss of the concern. The hon. the Mover of the resolution suggested that the loss on the mill has been continuous. Unfortunately the balance sheet for the last official year 1924-25 has not yet been placed before the House. As a matter of fact in that balance sheet the concern shows a profit of about Rs. 1,800. I do not however want to lay much stress on that point, because as the hon. Member pointed out the wood was supplied to the mills at a price which was below the cost of extraction and carting. That is perfectly true and this will affect the profit and loss. Government do not wish to conceal the fact that if the balance sheet is worked on that basis the small profit would turn into a small loss.”

“ There is only one other point the hon. the Mover raised and that is that sufficient quantity of salwood is not available in the Gumsur forests. He read some extracts from the Chief Conservator's report. What the Chief Conservator said was that there was insufficient supply of logs for the kind of machinery that had been bought. The hon. Member pointed out that the machinery was very expensive. Practical experience has shown that the type of machinery bought was too large. But there is in the Gumsur forests a very large supply of sal timber and quite enough to keep the mill running or any mill going with a smaller type of machinery. I have nothing else to add except to say that the hon. the Home Member will inform the House as to how he proposes to deal with the resolution.”

* The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—“ Sir, with regard to this resolution I may say that my hon. Friend Mr. Moir and myself are going to inspect the mill in October or November. After doing so we are going to place the question of the future of the mill before the Forest Advisory Committee. We have already got a committee of this House and before that committee we are going to place the question and

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the recommendations of the committee will be considered by the Government. In view of the fact that we are going to take action in the matter, I think the hon. the Mover of the resolution will withdraw his resolution."

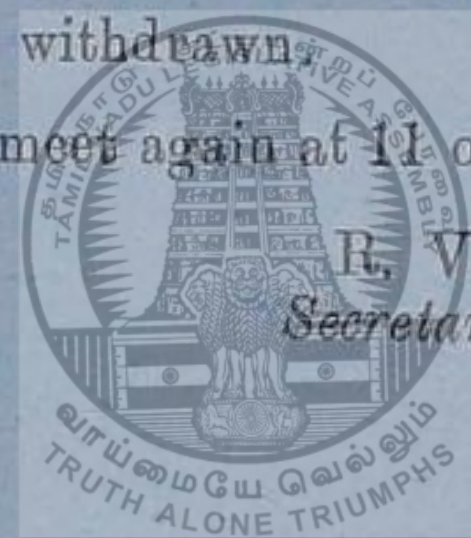
* Rao Bahadur C. V. S. NARASIMHA RAJU :—"Sir, I understand that the contract with Messrs. Parry & Co. is terminated or is about to be terminated very shortly. Before the matter is finally settled by Government I do not think that Government will enter into any fresh contract and then raise the legal question that they should honour their contracts. The same issue was raised once before. I hope Government will not enter into any fresh agreement with Messrs. Parry & Co. or with any other person before finally settling the question very soon."

* The hon. Khan Bahadur MUHAMMAD USMAN SAHIB Bahadur :—"Of course that will be done."

Sriman BISWANATH DAS Mahasayo :—"With the assurance given by the hon. the Home Member and with the hope that the two hon. Members of the Treasury Bench will go and see the concern and come to some conclusion very soon, I have very great pleasure in withdrawing the resolution."

The motion was by leave withdrawn.

The House adjourned to meet again at 11 o'clock the next day.



R. V. KRISHNA AYYAR,
Secretary to the Legislative Council.

APPENDIX I.

[Vide answer to question No. 367 asked by Rao Bahadur C. V. S. Narasimha Raju at the meeting of the Legislative Council held on the 25th August 1925, page 654 supra.]

From the Registrar, University of Madras, No. 4354, dated
the 7th May 1925.

With reference to your letter No. 693-C/25-1, dated the 14th March 1925, forwarding copies of a draft Bill providing for the establishment of a University for the Telugu districts, I am directed to inform you that the Bill was placed before the Senate at its meeting held on the 17th March 1925 and that that body has approved in principle the establishment of the proposed University.